SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: _Polanco_   Analyst: _Roger Lackey_   Bill Number: _SB 843_

Related Bills: _See Prior Analysis_   Telephone: _845-3627_   Amended Date: _01-10-00_

Attorney: _Patrick Kusiak_   Sponsor:

SUBJECT: Information Technology Management Act of 1999

_____	DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____ .
_____	AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
__X__	AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended May 6, 1999.
_____	FURTHER AMENDMENTS NECESSARY.
_____	DEPARTMENT POSITION CHANGED TO _____ .
__X__	REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 6, 1999, STILL APPLIES.
_____	OTHER - See comments below.

SUMMARY OF BILL

This bill would enact the Information Technology Management Act of 1999, which would establish specific policies for state agencies to follow and would provide for the establishment of a Chief Information Officers (CIO) Council as the principal interagency forum to improve state agency practices relating to the use of information technology (IT).

SUMMARY OF AMENDMENT

The January 10, 2000, amendment made a number of technical changes to the language of the bill that were necessary as a result of the passage of AB 1636 (1999, Ch. 928), which among other changes extended the operative date of the Department of Technology to the year 2003. As a result, the January 10, 2000, amendment eliminated from SB 843 the provision of the bill that also would have extended the operative date of the Department of Technology.

The January 10, 2000, amendment made other technical changes that would not impact the department's analysis of SB 843 as amended May 6, 1999. That analysis still applies, including the department's policy and implementation concerns, which are provided below.

   Policy Considerations

   This bill would expand upon the existing authority of the director of the Department of information Technology (DOIT), renamed by the provisions of this bill as the IT Agency Secretary. Currently the director has the authority to initiate, suspend, or terminate an IT project.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	__X__ PENDING

Legislative Director	Date
Johnnie Lou Rosas	1/26/00

This bill would expand that authority to permit the Secretary to take action independent of the head of a state agency or the governing board of a state agency for IT resource management and for investments made relating to IT. This expanded authority would result because the IT Agency Secretary would have the authority to take any authorized action he or she considers appropriate to enforce accountability by the head of a state agency, including an action involving the budgetary process or the appropriations management process.

Currently, state agencies seeking budget augmentation or appropriations must have approval of the state agency, the Department of Finance, the Legislature, and the Governor to obtain the requested funds. Moreover, for the Franchise Tax Board, these decisions must also be made by the three-member Board itself. It is unclear from this bill how the authority of the IT Agency Secretary would be exercised in connection with the current budgetary augmentation and appropriation processes, in addition to the authority of the three-member Franchise Tax Board concerning budgetary matters.

Implementation Considerations

To the extent that this bill mirrors current law relating to the creation of a CIO council, and the duties and responsibilities of the IT Agency Secretary and state agencies concerning IT, this bill would not significantly impact the department. However, to the extent that the IT Agency Secretary's authority is expanded to take any authorized action that he or she feels appropriate, the impact to the department is unclear.

BOARD POSITION

Pending.